

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 133 – SB 646

March 12, 2013

SUMMARY OF ORIGINAL BILL: Changes several provisions of the *Tennessee Real Estate Broker License Act of 1973*. Caps, at 90 days, the number of days in which the Tennessee Real Estate Appraiser Commission must notify a real estate broker, who is covered with error and omissions insurance, of any change in terms or conditions prior to the renewal date. States that any licensee who fails to either obtain, maintain, or renew error and omissions insurance coverage will automatically have such license suspended. Creates various provisions concerning the reinstatement of a licensee following a suspension due to a failure to obtain, maintain, or renew error and omissions insurance coverage.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (004452): Requires the Real Estate Appraiser Commission to send notifications of license suspension to the home address, in addition to the business address, of the licensee. Adds various other provisions regarding license reinstatement. Removes the 90-day cap, then further removes the requirement of a real estate broker to file a certificate of coverage with the Tennessee Real Estate Commission, both as provided in the original bill.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Currently, a real estate broker cannot be granted a license or have a license renewed without holding error and omission insurance coverage.
- Based on information provided by the Department of Commerce and Insurance, this bill as amended would automate and expedite the error and omissions disciplinary process, but would not result in any immediate decrease in expenditures.
- Based on information provided by the Department, there may be long-term cost savings as a result of the bill as amended, but the amount cannot be quantified at this time.

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- Any short-term cost savings realized from provisions of this bill as amended is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jdb